

Message Text

CONFIDENTIAL

PAGE 01 TANANA 01175 161411Z

46

ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 EB-07 AGR-05 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 INT-05 FEAE-00 DODE-00

PA-01 PRS-01 /105 W

----- 036967

R 161350Z JUL 76

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC 8309

INFO AMEMBASSY PARIS

C O N F I D E N T I A L TANANARIVE 1175

E.O. 11652: GDS

TAGS: PINT, EINV, MA, FR

SUBJ: ANOTHER FRENCH TRADING COMPANY NATIONALIZED: RATSIRAKA
FAMILY INVOLVEMENT

REF: TANANARIVE 1144

1. FOLLOWING THE RECENT NATIONALIZATIONS OF THE OIL MARKETING COMPANIES, A TEXTILE MILL, AND A LARGE FRENCH TRADING COMPANY IN MADAGASCAR (REF), THE GDRM JULY 10 ANNOUNCED THE NATIONALIZATION OF THE COMPTOIR DE COMMERCE ET DE REPRESENTATION POUR L'OCEAN INDIEN (COROI), MADAGASCAR'S FOURTH-LARGEST TRADING COMPANY. COROI, FORMERLY OWNED BY A LOCAL FRENCH FAMILY, HAD ANNUAL SALES OF OVER \$6 MILLION AND CONTROLLED SIX SUBSIDIARY FIRMS, INCLUDING A LOCAL BOTTLED GAS PLANT AND PLANTS MANUFACTURING DETERGENTS AND INSECTICIDES.

2. IN CONTRAST TO EARLIER NATIONALIZATIONS, TAKEOVER OF COROI HAS INTERNAL POLITICAL IMPLICATIONS WHICH HAVE ATTRACTED A GREAT DEAL OF SPECULATION IN TANANARIVE. TWO DAYS BEFORE THE NATIONALIZATION, COROI HAD BEEN SOLD BY ITS FRENCH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TANANA 01175 161411Z

OWNERS TO A GROUP OF MALAGASY INVESTORS HEADED BY ETIENNE

RATSIRAKA, BROTHER OF PRESIDENT RATSIRAKA. ACCORDING TO LOCAL PRESS ACCOUNTS, WHEN THE GDRM WAS INFORMED OF THE SALE, THE SUPREME REVOLUTIONARY COUNCIL AND THE CABINET HURRIEDLY DETERMINED TO "PREEMPT" (I.E., NULLIFY) THE SALE OF COROI AND TO NATIONALIZE THE FIRM IMMEDIATELY. SINCE THE SALE WAS NULLIFIED, COROI WAS NATIONALIZED FROM ITS FORMER FRENCH OWNERS RATHER THAN NEW MALAGASY OWNERS, ALTHOUGH DOCUMENTS OF SALE HAD BEEN SIGNED AND REGISTERED, ACCORDING TO FRENCH EMBASSY SOURCES.

3. DURING THE PAST YEAR ETIENNE RATSIRAKA HAS BECOME ONE OF MADAGASCAR'S MOST SUCCESSFUL BUSINESSMEN THROUGH HIGHLY LUCRATIVE EXPORTS OF COFFEE AND SUGAR AWARDED TO HIS IMPORT-EXPORT FIRM, SOREX. THERE ARE WIDESPREAD REPORTS OF INTENSIFYING DISENCHANTMENT AMONG VARIOUS MEMBERS OF THE GOVERNMENT AND THE MILITARY AT APPARENT PROFITEERING, BY USE OF ALLEGED ILLEGAL MANEUVERS, BY THE PRESIDENT'S BROTHER. CONSENSUS AMONG DIPLOMATIC AND OTHER OBSERVERS AFTER ABRUPT NATIONALIZATION OF COROI IS THAT ETIENNE RATSIRAKA, IN BUYING OUT ONE OF THE COUNTRY'S LARGEST COMPANIES IN ADDITION TO OTHER HOLDINGS HE HAS ACQUIRED THE PAST YEAR, WENT "TOO FAR". PRESIDENT RATSIRAKA EITHER DECIDED HIMSELF OR WAS PRESSURED BY OTHER MEMBERS OF THE GOVERNMENT TO CANCEL THE COROI SALE.

4. FRENCH EMBASSY SOURCES REPORT THAT THE SIX LARGEST FRENCH PRIVATE INVESTMENTS IN MADAGASCAR A YEAR AGO HAVE NOW BEEN NATIONALIZED (SOC. MARSEILLAISE, THE BANQUE NATIONALE DE PARIS, COTONA, TOTA 1, SOMACODIS, AND COROI), AND IT APPEARS THE GDRM IS PROCEEDING DOWN THE LIST OF FRENCH ENTERPRISES IN ORDER OF SIZE.SHEINBAUM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, BUSINESS FIRMS, FOREIGN TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TANANA01175
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760275-0198
From: TANANARIVE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760748/aaaabqfo.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 TANANARIVE 1144
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2004 by CunninFX>; APPROVED <19 AUG 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANOTHER FRENCH TRADING COMPANY NATIONALIZED: RATSIRAKA FAMILY INVOLVEMENT
TAGS: PINT, EINV, MA, FR, (RATSIRIKA, DIDIER)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006